

# EXHIBIT 1

## SUMMARY OF VIOLATIONS

On November 20, 25, 26, 1997 and December 4, 5, 15, 16, 22, 1997 and January 21, 23, 28, and April 10, 1998, the Department of Toxic Substances Control (DTSC), California Environmental Protection Agency, conducted an ongoing set of inspections at:

Facility Name: Tehnicem, Inc.

Facility Address: 4245 Halleck Street, Emeryville, CA 94608

EPA ID Number: CAD 981375983

County Name: Alameda

As a result of these inspections, the violations of hazardous waste laws, regulations, and requirements listed on the attached pages were discovered. All violations must be corrected; the actions you must take to correct the violations are listed with each violation. If you disagree with any of the violations or proposed corrective actions listed in this Summary of Violations, you should inform DTSC. If you disagree with any of the violations listed in Section I, you must give the inspector who issued the Notice to Comply a written notice of disagreement.

You must correct the violations listed in Section I: Minor Violations, within 15 days. Within five working days of achieving compliance, you must sign the statement certifying compliance at the bottom of Section I and return it to DTSC at the address provided. A false statement that compliance has been achieved is a violation of the law and punishable by a fine of not less than \$2,000 or more than \$25,000 for each violation. DTSC may reinspect this facility at any time.

DTSC will provide you a complete inspection report within 65 days of the date of this inspection. You may request a meeting with DTSC to discuss the inspection or the findings of the report. The issuance of this summary of Violations does not preclude DTSC from taking administrative, civil, or criminal action as a result of the violations noted in the Summary of Violations or that have not been corrected within the time provided in the Notice to comply.

Authorized Company Representative

Name STEPHEN TUNG

Title CHIEF OPERATING OFFICER

Signature [Signature]

Date 5/7/98

Authorized State Agent

Name Vajie Mobia Ford

Title Hazardous Substance Specialist

Signature V. Mobia Ford

Date 5/7/98

## SUMMARY OF VIOLATIONS

Facility Name: Technichem, Inc. Date: May 7, 1998

### SECTION I: MINOR VIOLATIONS/NOTICE TO COMPLY

Within five working days of achieving compliance, you are required to sign the certification below, and return it to DTSC at the above address.

Failure to correct the violations and certify compliance within the time provided may result in the Department taking additional enforcement action for these violations.

1. **Failure to sign or accurately date hazardous wastes manifest received.**

Technichem violated Title 22 California Code of Regulations (22 CCR) 66265.71(a)(1) in that Technichem failed to sign manifest Nos. 95712660 through 95712665 as a TSD.

In addition, from the beginning of May and up to June 6, 1997, all manifests generated in Southern California showed the next day delivery at Technichem. There was a total of 18 manifests as follows: 95712694, 95712782-86, 95712788-96770011.

**Corrective Action:** Within 15 days, Technichem must correct the above mentioned manifests and send a copy of the corrected manifest to the Department.

I certify under penalty of law that the above corrective actions have been taken and the violations have been corrected. I am aware that these are significant penalties for submitting false information.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Title \_\_\_\_\_

## SUMMARY OF VIOLATIONS

Facility Name: Technichem, Inc

Date: May 7, 1998

### SECTION II: OTHER VIOLATIONS

List of violations and compliance actions not included in Section I (Minor Violations/Notice to Comply).

#### Transportation Violations:

1. Failure to transport hazardous waste with manifest: Milkrun transportation of hazardous wastes not included in the Variance.

Technichem violated Health and Safety Code (HSC) 25160(d)(1), 22 CCR 66263.20 and 66263.42(a)(4) in that on November 20, 25, 26, December 4, 5, 15, 16, 22, 1997 and January 21, 23, 28, and April 10, 1998, Technichem accepted hazardous wastes without being accompanied by a manifest completed and signed in accordance with the provisions of article 2, chapter 12 of division 4.5. Technichem, as a transporter, collects hazardous wastes including dry cleaning cartridges, petroleum distillate, and perc contaminated wastewater, lint, and diatomaceous earth using modified manifesting procedures. Technichem's milkrun transporter variance allows Technichem to use modified manifesting procedure for transporting exclusively dry cleaning solvents pursuant to 66263.42 (a)(4). The variance does not apply to any other dry cleaning waste.

**Corrective Action:** Within 15 days, Technichem must comply with HSC section 25160 (d)(1), and Title 22, California Code of Regulations (CCR), section 66263.20 (a) by completing a separate manifest for each shipment of hazardous waste that includes dry cleaning cartridges, perc contaminated wastewater, lint, or diatomaceous earth.

2. Failure to transport hazardous waste with manifest: Milkrun Transportation of RCRA wastes without a Reclamation Agreement.

Technichem violated 22 CCR 66263.42(b)(1), 40 CFR 262.20(e) and 263.20(h) in that Technichem routinely accepts and transport dry cleaning wastes from generators of greater than 100 kg but less than 1,000 kg in a calendar month (non-CESQG) without having a Reclamation Agreement in accordance with 40 Code of Federal Regulations (40 CFR) 262.20(e) and 263.20(h) to specify, among other things, that Technichem would deliver the reclaimed solvent back to the generators. Instead, Technichem has a "Waste Disposal Agreement" printed on the back of its modified manifest form.

**Corrective Action:** Within 15 days, Technichem must have reclamation agreements with non-CESQG in accordance with 40 CFR 262.20(e) and 263.20(h) for collecting dry cleaning wastes it is authorized to reclaim.

**3. Failure to transport hazardous waste with manifest: Milkrun Transportation of RCRA wastes using a different Transporter.**

Technichem violated 22 CCR 66263.42(b)(1) and 40 CFR 262.20(e)(1)(ii) in that Technichem uses a second transporter while using modified manifesting procedures for hauling dry cleaning wastes from non-CESQGs from Southern California.

**Corrective Action:** Within 15 days, Technichem must with 22 CCR 66263.42(b)(1), 40 CFR 262.20(e) and 263.20(h).

**4. Illegal disposal of perc contaminated filter paper and other solids.**

Technichem violated HSC 25189.2(c) in that on or after January 6, 1993, Technichem has disposed of filter paper, lint, and other contaminated solid wastes at an unauthorized point. The unauthorized point, Ogden Martin Services (OMS), is a solid waste combustion facility which is not a hazardous waste permitted disposal facility.

**Corrective Action:** Effective immediately upon receipt of this SOV, Technichem must send all perc contaminated filter paper, lint and other solid wastes to an authorized hazardous waste disposal facility.

**5. Storage of hazardous waste at an unauthorized point.**

Technichem violated the HSC 25201(a) in that on or after 1993, Technichem has stored treated cartridges, contaminated carbon removed from the treated cartridges, and perc contaminated filter paper, lint and other solid wastes in the warehouse adjacent to the facility.

**Corrective Action:** Effective immediately upon receipt of this SOV, Technichem must cease storing any hazardous waste in the warehouse adjacent to the facility or any other unauthorized point.

**6. Treatment of hazardous waste at an unauthorized point.**

Technichem violated the California Health and Safety Code (HSC) 25201(a), in that on or after 1993, Technichem has broken down cartridges to separate carbon from filter paper in the warehouse adjacent to the facility.

**Corrective Action:** Effective immediately upon receipt of this SOV, Technichem must cease treating any hazardous waste in the warehouse adjacent to the facility or any other unauthorized point.

## 7. Illegal storage of RCRA wastes.

Technichem violated HSC 25201(a), 22 CCR 66270.30(e), Hazardous Waste Permit Condition III. C and III.D, in that on November 20, 25, 26, December 4, 5, 15, 16, 22, 1997 and January 21, 23, 28, 1998, Technichem commingled and stored untreated distillation oil, lint, and other perc contaminated solids received from dry cleaners who generates 100 kg or more of total hazardous wastes per month (non-CESQGs) in violation of its permit. In addition, on or about December 22, 1997, Technichem failed to process the non-CESQG wastes received because the boiler had been removed and a new boiler was not installed yet. Technichem failed to provide back-up or auxiliary systems to achieve compliance with the permit conditions. Permit condition III.C. stipulates no storage of such waste, and permit condition III.D specifies immediate process of such waste in the reclamation unit.

Corrective Action: Effective immediately upon receipt of this SOV, Technichem must cease accepting any hazardous waste that is not immediately processed in its approved reclamation unit.

## 8. Illegal storage of newly generated RCRA wastes.

Technichem violated HSC 25201(a) in that on or about November 20, 25, 26, December 4, 5, 15, 16, 22, 1997, and January 21, 23, 28, 1998, Technichem stored treated sludge and activated carbon for more than 90 days.

Corrective Action: Effective immediately upon receipt of this SOV, Technichem must dispose of its newly generated RCRA regulated wastes within 90 days.

## 9. Treatment and storage of hazardous wastes not listed in the permit or the approved Operation Plan.

Technichem violated HSC 25201(a), 22 CCR 66270.30(a), and Permit Condition III. (B)(3) in that on November 20, 25, 26, 1997 and December 4, 5, 15, 16, 22, 1997 and January 21, 23, 28, 1998, Technichem accepted and treated dry cleaning wastes other than spent dry cleaning cartridges such as distillation bottoms, perc contaminated waste water, lint and diatomaceous earth. The following treatments were observed at the facility that are not included in the approved Operation Plan.

A. Technichem routinely accepts and treats approximately 20 drums of distillation bottoms each day. Treatment of distillation bottoms is not included in the approved operation plan. Technichem opens and manually pours drums containing distillation bottoms into a metallic bin (called a strainer) while standing on a forklift outside the process room and then pumped the waste into the distillation unit. Section V.A.5. of the approved Operation Plan stipulates that drums can only be opened in the environmentally controlled process room. Moreover, the waste stream, the strainer unit and the process of pouring the



waste into the strainer are not included in the approved Operation Plan.

B. Technichem adds Diesel fuel to the unpumpable distillation bottoms to liquefy it so that the it can be sucked up by a tanker truck.

C. Technichem receives refrigeration oil containing chlorinated solvents from the S.F. Hilton. Refrigeration oil is not an approved waste stream.

D. Technichem treats the sludge generated on-site in the wastewater treatment tank, V-5, by pouring it into the strainer for treatment in the distillation unit, pumping it into tank V-4, or sending it offsite for fuel blending. The approved Operation Plan requires this waste to be shipped off-site to a permitted TSDF.

E. Technichem pumps and treats wastewater containing perc from off-site generators into tank V-9. Tank V-9 is the blowdown tank to the treatment system that is designed to treat dry cleaning cartridges.

F. Technichem receives and treat petroleum distillate, a non- perc dry cleaning solvent.

G. Technichem receives lint, sizing materials, and diatomaceous earth filters contaminated with perc from off-site dry cleaners and repacks them, without reclaiming the perc, into drums for off-site disposal.

**Corrective Action:** Effective immediately upon receipt of this SOV, Technichem must comply with III.B. 3. By only accepting and treating the spent dry cleaning cartridges and treat them in accordance with the approved Operation Plan and the Permit.

#### 10. Treatment in excess of Design Capacity.

Technichem violated 22 CCR 66270.30(a), and Hazardous Waste Permit sections I.A. and II.G.9, and Operation Plan, condition V.A.6., in that on or about November 20, 25, 26, 1997 and December 4, 5, 15, 16, 22, 1997 and January 21, 23, 28, 1998 Technichem exceeded the 2,000-gallon per month Design Capacity specified in the approved Operation Plan and the Hazardous Waste permit.

Section I.A of the Hazardous Waste Permit and condition V.A.6. of the approved Operation Plan state that the design capacity of the facility is 2,000 gallons per month (24,000 gallons per year).

**Corrective Action:** Effective immediately upon receipt of this SOV, Technichem must comply with the Hazardous Waste Permit sections I.A., II.G.9., and Operation Plan condition V.A.6.

#### 11. Failure to store hazardous waste in sealed, closed containers; failure to comply with the October 17, 1997 SOV.

Technichem failed to comply with its Hazardous Waste Permit section III.C.1.b., 22 CCR 66265.172, and the Summary of Violation issued on October 17, 1997 in that on November 20, 25, 26, 1997 and December 4, 5, 15, 16, 22, 1997 and January 21, 23, 28, 1998, Technichem stored treated filter paper and partially treated cartridges from non-CESQGs on pallets using shrink wrap. On October 17, 1997, DTSC issued an SOV directing Technichem to store treated filter paper and other hazardous wastes in sealed containers.

**Corrective Action:** Effective immediately upon receipt of this SOV, Technichem must comply with the October 17, 1997 SOV by placing treated filter paper and partially treated cartridges into containers. Additionally, Technichem must immediately keep all containers of hazardous waste closed when waste is not being added or removed.

## **12. General inspection requirements and testing and maintenance of decontamination equipment.**

Technichem violated 22 CCR sections 66270(e), 66265.15 and 66265.32, and the Hazardous Waste Permit, section III.K.1 and K.3, in that on November 20, 25, 26, 1997 and December 4, 5, 15, 16, 22, 1997 and January 21, 23, 28, 1998 Technichem failed to test and maintain decontamination equipment.

Effective immediately upon receipt of this SOV, Technichem must perform proper operation and maintenance including back-up or auxiliary systems to achieve compliance with the conditions of this permit.

## **13. Required aisle space.**

Technichem violated 22 CCR 66265.35 in that on November 20, 25, 26, 1997, December 4, 5, 15, 16, 22, 1997, and January 21, 23, 28, 1998, Technichem failed to maintain aisle space between containers and pallets of hazardous waste in the main room. Technichem also failed to maintain aisle space between drums of hazardous waste in the Process room. In addition, the eyewash/shower in the process room was blocked by equipment and drums of hazardous waste on December 4, 1997.

**Corrective Action:** Effective immediately upon receipt of this SOV, Technichem must maintain aisle space between rows of containers in the main room of the facility and the process room to allow the unobstructed movement of decontamination equipment to any area of the facility operation in an emergency.

## **14. Safe operation of the Facility.**

Technichem violated 22 CCR 270.30(e), 66265.31, and Hazardous Waste Permit section II.G.6.a., in that on November 20, 25, 26, 1997 and December 4, 5, 15, 16, 22, 1997 and January 21, 23, 28, 1998 Technichem failed to



minimize the possibility of any unplanned sudden or non-sudden release of hazardous waste or hazardous waste constituents to the air, soil or surface water which could threaten public health or the environment.

**Corrective Action:** Effective immediately upon receipt of this SOV, Technichem must cease pouring liquid spent solvent from drums into the strainer for treatment in the distillation unit.

**15. Financial Responsibility: Closure cost estimate**

Technichem violated 22 CCR 66265.143(c)(2) in that on or about January 21, 1998, Technichem's Letter of Credit failed to follow the format and wording of DTSC 1157 form.

**Corrective Action:** Within 15 days, Technichem must comply with 22 CCR 66265.143(c)(2) and submit to the Department the proper DTSC form for its Letter of Credit..

**16. Financial Responsibility: Closure cost estimate.**

Technichem violated 22 CCR 66265.143(c)(3) in that on or about January 21, 1998, Technichem failed to maintain a standby trust agreement.

**Corrective Action:** Within 15 days, Technichem must comply with 22 CCR 66265.143(c)(3) and submit to the Department a standby trust agreement.

**17. Financial Responsibility: Closure cost estimate.**

Technichem violated 22 CCR 66265.142(b) in that on or about January 21, 1998, Technichem failed to submit to the Department an adjusted closure cost estimate using the most recent inflation factor.

**Corrective Action:** Within 15 days, Technichem must submit to the Department an adjusted closure cost estimate using the most recent inflation factor.

**18. Financial Responsibility: Liability insurance.**

Technichem violated 22 CCR 66265.147(f)(3) in that on or about January 21, 1998, Technichem failed to show evidence of liability insurance for 97/98 with the submittal of DTSC 1160 or DTSC 1161 form.

**Corrective Action:** Within 15 days, Technichem must submit to the Department an evidence of liability insurance for 97/98 with the submittal of DTSC 1160 or DTSC 1161 form.